

**MINUTES OF REGULAR MEETING
OF THE
CAPE MAY COUNTY MUNICIPAL UTILITIES AUTHORITY
NOVEMBER 2, 2011**

A Regular Meeting of the Cape May County Municipal Utilities Authority was held on Wednesday, November 2, 2011 at 6:30 P.M., at the Authority office in Swainton, N.J. Chairman Betts stated proper notice was given under the provisions of the Open Public Meetings Act. The Pledge of Allegiance was recited.

ROLL CALL	<u>Present</u>	<u>Absent</u>
George W. Betts, Chairman	X	
John J. Pantalone, Vice Chairman	X	
William G. Burns, Jr.	X	
Patricia A. Callinan	X	
William J. McMahan, Jr.	X	
Beatrice Payne		X*
Thomas M. Phelan	X	

* Late arrival.

Also present were: Authority Staff, Charles M. Norkis, John R. Baron, Thomas J. LaRocco, Robert P. Donato, William W. Cathcart, Theresa A. Gallagher, Ann M. McDevitt; Authority Solicitor Howard C. Long, Esquire; Fred Pracht of the Avalon Land and Homeowners Association.

MINUTES

Minutes of the October 19, 2011 Regular Meeting were submitted for approval or correction. Mr. Pantalone offered MOTION TO APPROVE THE OCTOBER 19, 2011 REGULAR MEETING MINUTES AS SUBMITTED, seconded by Ms. Callinan, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahan	x			
Ms. Payne				x
Mr. Phelan	x			
Mr. Betts	x			
Mr. Pantalone	x			

By unanimous Roll Vote, the October 19, 2011 Regular Meeting Minutes were approved as submitted.

**TREASURER'S
REPORT:**

Mr. Phelan offered MOTION TO ACCEPT THE SEPTEMBER 30, 2011 TREASURER'S REPORT as submitted, seconded by Mr. McMahon, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Ms. Payne				x
Mr. Phelan	x			
Mr. Betts	x			
Mr. Pantalone	x			

By unanimous Roll Vote, the September 30, 2011 Treasurer's Report was accepted as submitted, copy annexed hereto and incorporated herein.

**CORRESPONDENCE &
COMMUNICATIONS**

None presented.

**UNFINISHED
BUSINESS**

**I. GENERAL COUNTY - WASTEWATER MANAGEMENT AND
SOLID WASTE MANAGEMENT PROGRAMS (COMBINED)**

1. The Authority Members reviewed the Construction Status Report on CMCMUA construction related activities prepared by the CMCMUA Staff. The following information was discussed in addition to the update provided in the written Status Report:

Landfill Gas to Energy – The permit for this project has been approved by the NJDEP and is currently under review by the USEPA and final approval is expected in the near future. An Advertisement for Bids for the generators required for this project was issued with a bid receipt date of November 22, 2011.

Filling of Sedimentation Basin No. 1 – Since Notice to Proceed for this Contract was issued on October 11, 2011, trucks have been delivering fill continuously every working day to date. This project is currently ahead of schedule.

Avalon Boulevard Force Main Replacement – The Contractor began work on this project on October 10, 2011, clearing brush and setting up erosion fencing, digging test pits and installing dewatering sumps and has started receiving deliveries of piping materials. Mr. LaRocco noted that pipe installation is currently scheduled to begin tomorrow, November 3rd. He further noted that the Contractor for this project, Sambol Construction Company, has submitted a revised construction schedule which meets the construction completion dates established for this project.

81st Street Manhole Rehabilitation – Mr. LaRocco reported that during routine pump station inspections, it was discovered that the third manhole upstream of the 81st Street Pump Station in Stone Harbor had experienced excessive hydrogen sulfide damage and needed repair. Quotes to rehabilitate the manhole were obtained pursuant to public purchasing laws and D & D Utility Construction was hired to undertake the work. The repair work was successfully completed on October 3, 2011.

Note: Ms. Payne arrived during the above-noted discussion (6:35 p.m.).

2. Mr. Donato reviewed with the Board the Contract for Financial Advisory Services awarded in 2009 to Acacia Financial Group, Inc., which contained a renewal option of two (2) additional years, at the sole discretion of the Authority. This Contract was renewed once by the Authority by Resolution No. 98-10, adopted on October 20, 2010. He noted that given the Authority's favorable experience with this firm, it was the recommendation of the Authority's Chief Financial Officer and Executive Director that the CMCMUA extend the current Contract for Financial Advisory Services with Acacia Financial Group, Inc. for the remaining additional 12-month period. To enable formal consideration of this recommendation, Chairman Betts presented RESOLUTION AUTHORIZING THE CONTINUATION OF A FAIR AND OPEN CONTRACT FOR EXTRAORDINARY UNSPECIFIABLE SERVICES - FINANCIAL ADVISORY SERVICES - ACACIA FINANCIAL GROUP, INC. UNDER CMCMUA RESOLUTION NO. 110-09. Mr. McMahon offered MOTION TO ADOPT THE RESOLUTION AS PRESENTED, seconded by Mr. Pantalone, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Pantalone	x			
Mr. Betts	x			

By unanimous Roll Vote, Resolution No. 97-11 was adopted, copy annexed hereto and incorporated herein.

3. The Authority Members reviewed and discussed the sole Proposal received on October 25, 2011 to provide Bond Counsel Services on behalf of the CMCMUA in response to RFP-21-11. Following review of the Proposal, it was the recommendation of the Authority's Chief Financial Officer and Executive Director that the Proposal submitted by the firm of McManimon & Scotland, L.L.C. satisfactorily responded to the Authority's Request for Proposals for Bond Counsel Services. It was noted that Bond Counsel Services will be required in the upcoming year associated with the Authority's borrowings from the 2012 New Jersey Infrastructure Trust Financing Program. Therefore, it was recommended that a Contract with a not-to-exceed Budget of \$95,000.00 be awarded to this firm, who has served as the Authority's Bond Counsel in previous years. Following further discussion, Chairman Betts presented RESOLUTION AUTHORIZING THE AWARD OF A FAIR AND OPEN CONTRACT FOR PROFESSIONAL SERVICES FOR BOND COUNSEL LEGAL

SERVICES - McMANIMON & SCOTLAND, L.L.C. Mr. Phelan offered MOTION TO ADOPT THE ABOVE RESOLUTION AS PRESENTED, seconded by Mr. McMahon, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Pantalone	x			
Mr. Betts	x			

By unanimous Roll Vote, Resolution No. 98-11 was adopted, copy annexed hereto and incorporated herein.

**II. WASTEWATER MANAGEMENT PROGRAM -
GENERAL COUNTY -**

1. Mr. Donato reported that, primarily due to additional expenses associated with labor, utilities, electrical and other equipment parts, repairs, maintenance and replacements during 2011, the Authority's Wastewater Management Program Budget should be amended as total expenses for the year will exceed the originally budgeted figure. It was noted that these additional expenses will be offset by a reduction in bond principal and interest payments and from additional revenues above what was budgeted for 2011 from the treatment of leachate and the processing of septage and sludge and additional interest income. Use of these unanticipated revenue increases will eliminate the need to recover the additional expenses from the CMCMUA's Wastewater Participants. To enable formal consideration of the above-noted recommendations, Chairman Betts presented RESOLUTION REQUESTING CHANGE IN TITLE, TEXT OR AMOUNT OF APPROPRIATION FOR CMCMUA WASTEWATER MANAGEMENT PROGRAM PURSUANT TO N.J.A.C. 5:31-2.8. Mr. Burns offered MOTION TO ADOPT THE RESOLUTION AS PRESENTED, seconded by Mr. McMahon, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, Resolution No. 99-11 was adopted, copy annexed hereto and incorporated herein.

2. The Authority Members reviewed and discussed the CMCMUA Budget Committee's recommendations regarding the proposed Wastewater Management Program Budget for Fiscal Year 2012. It was reported that meetings were held by the Committee and Staff and, as a result of these meetings, the Committee is presenting for consideration by the full Board a Wastewater Management Program Budget which proposes a 1.96% increase in revenues to be collected from the CMCMUA's Participants during Fiscal Year 2012. Mr. Pantalone reported that the Budget Committee and Staff worked hard in an attempt to keep any increase below 2%, since the Authority's Participants, Cape May County's municipalities, will have to comply with a 2% cap as imposed by the State of New Jersey. It was noted that the main reasons for this increase are associated with anticipated increases in labor related costs, such as pensions and benefits. After approval by the Authority Members of the proposed Fiscal Year 2012 Budget as prepared on DCA forms, the Wastewater Program User Charge Report, setting forth the specific projected charges for each of the Authority's Participants, will be finalized and distributed for review and comment by Cape May County's municipalities and the general public. To enable the proposed Fiscal Year 2012 Budget for the Wastewater Program to be sent to the Department of Community Affairs for its review and approval, Chairman Betts presented 2012 AUTHORITY BUDGET RESOLUTION (Wastewater Management Program). Mr. Burns offered MOTION TO ADOPT THE RESOLUTION AS PRESENTED, seconded by Mr. McMahon, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			
Mr. Pantalone	x			

By unanimous Roll Vote, Resolution No. 100-11 was adopted, copy annexed hereto and incorporated herein.

2. It was reported that the State of New Jersey, Department of Community Affairs, Division of Local Government Services, requires that if an Authority's Fiscal Year (i.e. Calendar Year) Budget is not filed with the Department prior to November 1 of each year, the Budget submission must also be accompanied by a Resolution of the Authority noting the reasons for the delay. It was noted that the CMCMUA's Wastewater Budget was only just approved (i.e. November 2, 2011). Therefore, a Resolution was recommended noting that because of the need to compile accurate information regarding wastewater flows, revenues and expenses through September prior to finalizing the proposed Budget, submission of the Authority's Fiscal Year 2012 Wastewater Budget prior to November 1 is not practical. To enable consideration of such a Resolution, Chairman Betts presented RESOLUTION SETTING FORTH REASONS FOR DELAY IN SUBMISSION OF WASTEWATER MANAGEMENT PROGRAM BUDGET PURSUANT TO N.J.A.C. 5:31-2.5(a). Mr. Burns

offered MOTION TO ADOPT THE RESOLUTION AS PRESENTED, seconded by Ms. Payne, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Pantalone	x			
Mr. Betts	x			

By unanimous Roll Vote, Resolution No. 101-11 was adopted, copy annexed hereto and incorporated herein.

SEVEN MILE BEACH/MIDDLE REGION -

The Authority Members reviewed and discussed the six (6) bids received on October 18, 2011 to Furnish and Deliver Various Sized FRP Duct, Joint Fitting Kits, Resin and Catalysts for Air Duct Systems at the Seven Mile Beach/Middle Wastewater Treatment Facility (SM-EQUIP-29-11). Following review of the bids received, the Authority's Wastewater Engineer and Purchasing Agent, with the concurrence of the Wastewater Program Manager and Executive Director, have recommended that a contract in the total amount of \$31,258.56 be awarded to the lowest responsive bidder, Coastal Technical Sales, Inc., whose bid met all requirements of the Bid Specifications for Contract SM-EQUIP-29-11. To enable consideration of the above-noted recommendation, Chairman Betts presented RESOLUTION AWARDING CONTRACT SM-EQUIP-29-11 FURNISH AND DELIVER VARIOUS SIZED FRP DUCT, JOINT FITTING KITS, RESIN AND CATALYST FOR AIR DUCT SYSTEMS SEVEN MILE BEACH/MIDDLE REGIONAL WASTEWATER TREATMENT FACILITY TO COASTAL TECHNICAL SALES, INC. Mr. Pantalone offered MOTION TO ADOPT THE RESOLUTION AS PRESENTED, seconded by Mr. Burns, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, Resolution No. 102-11 was adopted, copy annexed hereto and incorporated herein.

**III. SOLID WASTE MANAGEMENT PROGRAM -
GENERAL COUNTY -**

1. The Authority Members reviewed and discussed the CMCMUA's Budget Committee's recommendations regarding the proposed Solid Waste Management Program Budget for Fiscal Year 2012. It was reported that meetings were held by the Authority's Budget Review Committee and Staff and, as a result of these meetings, the Committee is presenting for consideration by the Board a Solid Waste Program Budget for Fiscal Year 2012 which contains overall operating expenses that are less than those budgeted for 2011. It was noted that preparation of an acceptable Solid Waste Budget for the upcoming year was very challenging, due to a dramatic decrease in solid waste tonnages received at the Authority's facilities, with disposal revenues decreasing by almost \$7 million/year compared to 2005. Mr. Pantalone reported that, similar to the Wastewater Program Budget, the Budget Committee and Staff worked hard in an attempt to avoid any increase in municipal solid waste tipping fees. The Solid Waste Budget for 2012 provides no increase in the tipping fee for municipal solid waste (Types 10 & 13), but does provide an increase in the tipping fee for construction and demolition material from \$70.00/ton to \$71.00/ton. To enable submission of the proposed Fiscal Year 2012 Solid Waste Management Program Budget to the Department of Community Affairs for its review and approval, Chairman Betts presented 2012 AUTHORITY BUDGET RESOLUTION (Solid Waste Management Program). Mr. McMahon offered MOTION TO ADOPT THE RESOLUTION AS PRESENTED, seconded by Ms. Callinan, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Pantalone	x			
Mr. Betts	x			

By unanimous Roll Vote, Resolution No. 103-11 was adopted, copy annexed hereto and incorporated herein.

2. It was reported that the State of New Jersey, Department of Community Affairs, Division of Local Government Services, requires that if an Authority's Fiscal Year (i.e., Calendar Year) Budget is not filed with the Department prior to November 1 of each year, the Budget submission must also be accompanied by a Resolution of the Authority noting the reasons for the delay. It was noted that the CMCMUA's Solid Waste Budget was only just approved (i.e. November 2, 2011). Therefore, a Resolution was proposed noting that because of the need to compile accurate information regarding anticipated revenues and expenses through September prior to finalizing the proposed Budget submission of the Authority's Fiscal Year 2012 Solid Waste Budget prior to November 1 is not practical. To enable consideration of such a Resolution, Chairman Betts presented RESOLUTION SETTING FORTH REASONS FOR DELAY IN SUBMISSION OF SOLID WASTE OPERATIONS BUDGET PURSUANT

TO N.J.A.C. 5:31-2.5(a). Mr. Pantalone offered MOTION TO ADOPT THE RESOLUTION AS PRESENTED, seconded by Mr. Phelan, a Roll Vote followed:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Pantalone	x			
Mr. Betts	x			

By unanimous Roll Vote, Resolution No. 104-11 was adopted, copy annexed hereto and incorporated herein.

RECYCLING -

1. The Authority Members reviewed the Preliminary Regional Recycling Program Progress Report for September 2011, which noted that Cape May County achieved a 34.52% municipal solid waste stream diversion rate and a 33.52% total solid waste stream diversion rate for the first nine (9) months of 2011. It was pointed out that the above-noted recycling rates are preliminary and subject to change, based on the submission of data from independent recycling operations and final State review. Mr. Baron reported that the tonnage recycled for the month of September was slightly lower compared to the same period last year. Mr. Baron further reported that the Authority's Recycling Program through the Intermediate Processing Facility (IPF) has achieved a net gain of \$1,185,290 through September of this year compared to a profit of \$426,603 for the same period in 2010. The full net profit at the end of the year will be rebated back to Cape May County's municipalities. He noted that if the value received for the sale of recyclables continues, the Authority may be able to issue recycling rebates to the communities which will be one of the highest recycling rebates issued in the history of the Authority. Some discussion was held regarding the possible financial benefits to the municipalities of switching to single stream recycling from our current commingled recycling stream. The Authority Members were in agreement that this approach should be pursued with the current IPF operator. An update will be provided when more financial information is available.

2. Mr. Baron reported that in response to RFQ-01-11, Request for Qualifications to Design, Construct, Operate and Maintain a Materials Recovery Facility for Municipal Solid Waste, which would be a facility that further sorts through municipal waste to capture recyclables, one (1) Qualification Statement was received from Green Nation of Cape May, LLC. Under the provisions of the McEnroe procurement process, a Request for Proposals for this facility will now be issued to this firm as part of the Authority's continuing efforts to increase the rate of recycling in Cape May County.

**PUBLIC
DISCUSSION**

None offered.

**PAYMENT OF
BILLS**

1. On Motion by Mr. Pantalone, seconded by Mr. McMahon, a Roll Vote followed on the approval of the Administration Vouchers List dated November 2, 2011:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, the Administration Vouchers List dated November 2, 2011 was approved, copy annexed hereto and incorporated within.

2. On Motion by Ms. Callinan, seconded by Ms. Payne, a Roll Vote followed on the approval of the Wastewater Operating Funds Vouchers List dated November 2, 2011:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, the Wastewater Operating Funds Vouchers List dated November 2, 2011 was approved, copy annexed hereto and incorporated within.

3. On Motion by Mr. McMahon, seconded by Ms. Payne, a Roll Vote followed on the approval of the Solid Waste Operations Fund Vouchers List dated November 2, 2011:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, the Solid Waste Operations Fund Vouchers List dated November 2, 2011 was approved, copy annexed hereto and incorporated within.

4. On Motion by Ms. Callinan, seconded by Ms. Payne, a Roll Vote followed on the approval of the Solid Waste Project Fund Vouchers List dated November 2, 2011:

	<u>Aye</u>	<u>Naye</u>	<u>Abstain</u>	<u>Absent</u>
Mr. Burns	x			
Ms. Callinan	x			
Mr. McMahon	x			
Mr. Pantalone	x			
Ms. Payne	x			
Mr. Phelan	x			
Mr. Betts	x			

By unanimous Roll Vote, the Solid Waste Project Fund Vouchers List dated November 2, 2011 was approved, copy annexed hereto and incorporated within.

The total of all four (4) approved Vouchers Lists, dated November 2, 2011, was \$829,824.54.

NEW BUSINESS None presented.

MISCELLANEOUS Mr. Norkis reported that the Woodbine Development Center (WDC) has recommenced the use of landfill gas as a fuel in its boilers and that landfill gas has been the sole source of fuel at this facility for a period of approximately two (2) weeks.

ADJOURNMENT There being no further business, the Regular Meeting adjourned at 7:10 p.m.

Respectfully submitted,



Ann M. McDevitt
Recording Secretary